

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7115

BILL NUMBER: HB 1325

NOTE PREPARED: Jan 8, 2007

BILL AMENDED:

SUBJECT: Homeowners associations.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: The bill applies the following to a homeowners association (association) established after June 30, 2007:

- (1) It requires an association to maintain a current roster of all members of the association (members).
- (2) It requires an association to prepare an annual budget.
- (3) It requires the board of directors of an association (board) to address an item of business if more than 50% of the members petition the board to address the item.
- (4) It prohibits a board from entering into certain contracts.
- (5) It provides that the governing documents of an association must include grievance resolution procedures that provide for the final and binding arbitration of disputes.
- (6) It provides that the governing documents of an association must allow the termination of the association if at least 70% of the members agree to the termination.
- (7) It specifies that a penalty imposed by an association against a member is not enforceable as a lien against any real property owned by the member.
- (8) It prohibits an association from suspending the voting rights of a member for nonpayment of annual assessments unless the assessments are delinquent for more than two years.
- (9) It provides certain defenses to a member if the association brings a civil action against the member involving an act in furtherance of the member's right of petition or free speech.

The bill also allows an association established before July 1, 2007, to elect to be governed by this statute.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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